

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DIVISION
RALEIGH DIVISION

INTERNATIONAL HERITAGE, INC.)	CASE NO. 98-02675-5-ATS
)	
INTERNATIONAL HERITAGE,)	CASE NO. 98-02674-5-ATS
INCORPORATED,)	
)	Chapter 7
Debtor.)	

F I L E D

MAR 28 2000

**MOTION FOR APPROVAL OF
COMPROMISE AND SETTLEMENT** PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

The undersigned trustee in bankruptcy in the above-captioned case respectfully moves the Court pursuant to Bankruptcy Rules 6004 and 9019 for an order approving a waiver of the attorney client and work product privileges with respect to pre-bankruptcy communications between the debtors and their legal counsel in exchange for which the Office of the United States Attorney for the Eastern District of North Carolina will agree not to recommend or seek the imposition of any criminal penalties, fines or forfeitures against the debtor corporations, and to recommend and use its best efforts to insure that any restitution imposed in any criminal proceedings against any individuals and/or entities affiliated or otherwise associated with one or both debtors will be distributed to the creditors of International Heritage, Inc.

Trustee is of the opinion that waiving the aforesaid privileges is in the best interest of the expeditious administration of the estates because it will minimize the need for the estates to participate in a defense of any criminal prosecution by the United States Attorney and may result in the generation of funds with which to pay claims in the International Heritage, Inc. case.

WHEREFORE, trustee prays that the Court enter an order allowing the undersigned to waive the attorney client and work product privileges according to the terms set forth above.

Respectfully submitted this 28 day of March, 2000.

MAUPIN TAYLOR & ELLIS, P.A.

BY: Holmes P. Harden

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:)
)
INTERNATIONAL HERITAGE, INC.) CASE NO. 98-02675-5-ATS
) CHAPTER 7
INTERNATIONAL HERITAGE,) CASE NO. 98-02674-5-ATS
INCORPORATED)
)
Debtor.)

NOTICE OF MOTION FOR APPROVAL OF COMPROMISE AND SETTLEMENT AND
CERTIFICATE OF SERVICE

TO: ALL CREDITORS OF INTERNATIONAL HERITAGE, INC. AND INTERNATIONAL HERITAGE INCORPORATED AND OTHER PARTIES IN INTEREST

NOTICE IS HEREBY GIVEN of the Motion for Approval of Compromise and Settlement filed simultaneously herewith by Holmes P. Harden, Attorney for Trustee.

An objection to the motion should be filed with the Clerk, U. S. Bankruptcy Court, Post Office Box 1441, Raleigh, North Carolina 27602 with a copy served on the trustee whose name appears at the bottom of this Notice within fifteen (15) days of the date of this Notice. No hearing will be conducted on said objection unless the Court, in its discretion, deems a hearing necessary, or unless a hearing is requested by the party filing such request. Any party requesting a hearing shall appear at said hearing in support of such request or he may be assessed with costs.

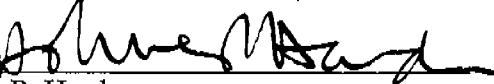
DATE OF NOTICE: 3/28/00

Holmes Harden
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CERTIFICATE OF SERVICE

I, Holmes P. Harden, do hereby certify that the foregoing **Notice of Motion and Motion for Approval of Compromise and Settlement** was served upon all parties of record by mailing a copy thereof to each such party at the address indicated below with its proper postage attached and deposited in an official depository under the exclusive care and custody of the United States Post Office in Raleigh, North Carolina and by public notice via 888-895-8385 and 919-981-4033 and by posting on the court's web page at www.nceb.uscourts.gov. on the 26 day of March, 2000.

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See Attached Mail Matrix and E-Mail List

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